

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF B & H GAS)	CASE NO. 91-127-M
COMPANY, INC.)	

O R D E R

On January 13, 1992, in Case No. 91-127, the Commission approved certain adjusted rates for B & H Gas Company, Inc. ("B & H") and provided for their further adjustment on a quarterly basis in accordance with its gas cost adjustment ("GCA") clause.

On March 1, 1995, B & H filed its GCA to be effective from April 1, 1995 to July 1, 1995.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. B & H's notice proposed revised rates designed to pass on its wholesale decrease in gas cost. B & H's proposed expected gas cost ("EGC") is \$3.8477. Correcting for a computational error, its EGC should be \$3.8492 per Mcf, a decrease of 1.35 cents per Mcf.

2. B & H had no refunds to report. Therefore, its notice set out no refund adjustment.

3. The notice set out a current quarter actual adjustment ("AA") of (.64) cent per Mcf which will return over-recovered gas cost from October, November, and December 1994. The total AA of

.29 cent per Mcf reflects the current over-collection as well as under- or over-collections from previous quarters.

4. B & H's notice set out an incorrect balance adjustment ("BA"). By reconciling the AA from the wrong quarter, it calculated a BA of (.01) cent per Mcf, when it should have been .0008 cent per Mcf, an amount too small to impact rates. The total BA should be (.1) cent per Mcf, which reflects a current BA of 0 cents per Mcf.

5. These adjustments produce a gas cost recovery rate of \$3.8511, 1.93 cents per Mcf more than the prior rate.

6. The revised rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be effective for service rendered on and after April 1, 1995.

IT IS THEREFORE ORDERED that:

1. The rates proposed by B & H be and they hereby are denied.

2. The rates in the Appendix to this Order are fair, just, and reasonable and are effective for service rendered on and after April 1, 1995.


3. Within 30 days of the date of this Order, B & H shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this

15th day of March, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-127-M DATED March 15, 1995

The following rates and charges are prescribed for the customers in the area served by B & H Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATES:

		<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First	2 Mcf	\$4.7938	\$7.7022	\$12.4960
Next	8 Mcf	1.9788	3.8511	5.8299
Next	20 Mcf	1.5611	3.8511	5.4122
Over	30 Mcf	1.3103	3.8511	5.1614

A surcharge in the amount of 3 cents per Mcf shall be added to the above rates until the obligation owed Kentucky-West Virginia Gas Company has been discharged or is recalculated.